Appendix

IRRIGATION DISTRICTS REFINANCING ACT.

CAL. STATS. 1937, CHAPTER 24.

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SEC. 5. Automatic Stay. Plan Temporarily in Effect. The filing of such petition shall operate automatically to enjoin and stay, pending final determination of the proceedings as herein set forth, the commencement or continuance of suits or proceedings against the district or any officer or board of directors thereof which would interfere with or prevent the carrying out of the plan, and shall also operate automatically to enjoin and stay the enforcement of any lien or the levy of assessments except in so far as is consistent with and in furtherance of such plan. The Court in which said petition is filed shall have exclusive jurisdiction with respect to all suits, actions and proceedings against the district filing such petition or any board of directors or officer thereof on account of the indebtedness of such district proposed to be liquidated, refinanced or readjusted by such plan or to enforce any lien or the levy of any assessments for the payment of such indebtedness and all matters incidental and collateral thereto and it shall be deemed that said plan is temporarily in full force and effect. It is hereby found and declared that proceedings for or the issuance or enforcement of a writ of mandate or other action or proceeding to enforce any lien or to enforce the levy of assessments for the payment of such indebtedness other than as provided

in such plan would, during pendency of said proceeding, result in disorder and confusion and destruction of joint, relative and correlative rights of creditors affected by said plan and injury of third persons.

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SEC. 11. Judgment of Acquisition, Cancellation and Condemnation. After determining the value of the bonds or warrants owned by the nonaccepting holders as aforesaid, the Court shall enter a judgment of acquisition, cancellation and condemnation by said district of all bonds or warrants of nonaccepting holders for the price and at the value fixed and determined as aforesaid.

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SEC. 19. Consent of Accepting Bond or Warrant Holders Not Affected by Invalidity of any Portion of this Act or Dismissal of Petition. In the event that said petition for liquidation, refinancing or readjustment is dismissed, or that any of the provisions hereof for confirmation of the plan or acquisition of the bonds or warrants of the nonaccepting holders shall be declared invalid, such dismissal or declaration shall not affect the effectiveness of the plan with respect to the district or holders of bonds or warrants accepting the same.

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PORTIONS OF STATUTES RELATING TO PALO VERDE DRAINAGE DISTRICT.

CAL. STATS. 1903, CHAPTER CCXXXVIII.

An act to provide for the organization and government of drainage districts, for the drainage of agricultural lands other than swamp and overflowed lands, and to provide for the acquisition or construction thereby of works for the drainage of the lands embraced within such districts.

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SEC. 26. The legal title to all property acquired under the provisions of this act shall immediately and by operation of law vest in such drainage district, and shall be held by such district in trust for and is hereby dedicated and set apart to the uses and purposes set forth in this act. And said board is hereby authorized and empowered to hold, use, acquire, manage, occupy, and possess said property as herein provided. The said board is hereby authorized and empowered to take conveyances or other assurances for all property acquired by it under the provisions of this act, in the name of such drainage district, to and for the uses and purposes herein expressed, and to institute and maintain any and all actions and proceedings, suits at law or in equity, necessary or proper in order to fully carry out the provisions of this act, or to enforce, maintain, protect, or preserve any and all rights, privileges and immunities created by this act, or acquired in pursuance thereof. And in all courts, actions, suits, or proceedings, the said board may sue,

appear, and defend in person or by attorneys, and in the name of such drainage district.

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SEC. 30. Any bonds issued under the provisions of this act shall be a lien upon the property of the district and the lien for the bonds of any issue shall be a preferred lien to that for any subsequent issue. Said bonds, and the interest thereon, shall be paid by revenue derived from an annual assessment upon the real property of the district; and all the real property in the district shall be and remain liable to be assessed for such payments as hereinafter provided.

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SEC. 42. The board of supervisors of each county wherein is situated a district or any part thereof organized under the provisions of this act, must, annually, at the time of levying county taxes, levy a tax to be known as the "..... (name of district) drainage district tax," sufficient to raise an amount reported to them as herein provided, by the board of directors.

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PORTIONS OF STATUTE RELATING TO PALO VERDE JOINT LEVEE DISTRICT OF RIVERSIDE AND IMPERIAL COUNTIES, CALIFORNIA.

CAL. STATS. 1905, CHAPTER CCCX.

An act to provide for the formation of levee districts in the various counties of this State and to provide for the erection of levees, dikes and other works for the purpose of protecting the lands within such districts from overflow and to levy assessments to erect and construct and maintain such levees, dikes and other works and to pay the necessary costs and expenses of maintaining said districts.

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SEC. 10. At the time when by law it is the duty of the board of supervisors of such county to fix the annual tax rate for such county, the said board of supervisors, taking as a basis the last previous report of the commissioners as hereinbefore specified, and adopted by them, for the amount of moneys necessary to be raised in said district for the purposes thereof for that year, and the valuation of the lands and improvements thereon within such district as furnished them by the county assessor, must levy a tax upon all taxable property in such levee district sufficient to raise the amount set forth in the report as made by said commissioners and adopted by said board of supervisors.

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CAL. STATS. 1911, CHAPTER 139.

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SECTION 1. Any levee district formed or organized by or under the laws of California, may incur a bonded indebtedness for the purpose of building, constructing, or repairing the levee or levees of such district; or in excavating or constructing any ditches or canals of such district; or for the purpose of acquiring rights of way for any such levee, or ditches, or canals; or for any and all of said purposes. Such indebtedness shall be incurred in the following manner, to-wit:

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SEC. 9. The board of directors or trustees shall cause to be assessed and levied each year upon the assessable property of the district, in addition to the levy authorized for other purposes, a sufficient sum to pay the interest on outstanding bonds, * * *

PORTIONS OF STATUTE RELATING TO PALO VERDE IRRIGATION DISTRICT.

CAL. STATS. 1923, CHAPTER 452.

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SECTION 1. The State of California and the people thereof are hereby declared to have a primary and supreme interest in securing to the inhabitants and property owners of the low irrigable lands within what is known as the "Palo Verde valley," in Riverside and Imperial counties, the greatest possible use, conservation and protection of the waters of the Colorado river to the extent that the same may be lawfully diverted to their lands, to the end that their water system, their land, structures and other properties may be protected from overflow of the flood waters of said river, their swamp lands drained, and thereby the greatest productivity of the largest possible area may be accomplished and safely carried on within reasonable limits of economy.

Investigation having shown conditions in the Palo Verde valley to be peculiar to that valley, it is hereby declared that a general law cannot be applicable thereto, and the enactment of this special law is therefore necessary for the proper distribution and use of the waters available to the valley, the protection of the valley against inundation, the reclamation of the swamp lands, and financing the development of the valley by the means herein provided.

SEC. 2. There is hereby created, subject to the approval of the owners of property within the district as hereinafter provided, a unified irrigation, protec-

tion and reclamation district, to be known and designated as, "Palo Verde irrigation district," hereinafter in this act referred to as the "district," and which shall comprise all of the lands now included both within the boundaries of the Palo Verde joint levee district of Riverside and Imperial counties, California, and the Palo Verde drainage district, both of which are now in existence, and the boundaries of the district proposed to be created by this act are more particularly described as follows:

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SEC. 10. Subd. 5. The legal title to all property acquired under the provisions of this act shall immediately, by operation of law, vest in the district, and shall be held by the district in trust for, and is hereby dedicated and set apart to, the uses and purposes set forth in this act. And said board is hereby authorized and directed to hold, use, manage, keep and possess, said property as herein provided. The board may determine by resolution duly entered upon its minutes, that any property, real or personal, held by such irrigation district, is no longer necessary to be held for the uses and purposes thereof, and may thereafter sell such property, and a conveyance of any property held by this district, executed by the president and secretary thereof, in accordance with the resolution of the board of trustees of such district, when sold for a valuable consideration, shall convey a good title to the property so conveyed.

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SEC. 11. Acquiring or Controlling the Water System of the Palo Verde Mutual Water Company. As

soon as may be practicable after the organization of the district, the board of trustees is empowered and it shall be its duty to take steps for the acquisition of the water rights and water system of the Palo Verde Mutual Water Company and its stockholders, in the manner authorized and provided by this section, as follows:

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Subdivision 4. The use of all water required for the irrigation of lands within this district, and for domestic and other incidental and beneficial uses within the district, together with the rights of way for canals and ditches, the headworks, conduits, reservoirs and sites for reservoirs, and all other property required in full carrying out the provisions of this act, is hereby declared to be a public use, subject to the regulations and control of the state in the manner prescribed by law.

SEC. 12. Taking Over the Properties and Functions of the Palo Verde Joint Levee District. The district is authorized and empowered, through its board of trustees, to take over the properties, property rights and functions of the Palo Verde joint levee district of Riverside and Imperial counties, California, and it shall be the duty of the board of trustees to take the necessary steps for acquiring the same in the following manner:

Upon approval of the property owners, of the creation and organization of this district by a majority vote, at an election to be held for that purpose as hereinbefore provided, and as soon as the organization of

the district is complete by the election and qualification of its officers, all of the levees, properties, property rights and functions of the Palo Verde joint levee district above mentioned, shall revert to and become vested in this district, but subject, however, to the rights of the holders of any and all of the bonds or other outstanding claims or evidence of indebtedness of said Palo Verde joint levee district, and the lien of all such bonds and all rights of the bondholders and creditors of said levee district shall be unimpaired and enforcible against the lands and property owners within the boundaries of said joint levee district to the same extent and in like manner as if this act had not been passed, and said district continued to exist; *but provided, however,* that all of such outstanding bonded or other indebtedness shall be assumed by this district, and the collection of principal and interest may be enforced through this district in like manner as it might have been enforced through the joint levee district, and the board of trustees of this district is hereby authorized and empowered, and it shall be its duty to carry into effect and perform, all of the obligations undertaken by said levee district through this district, and the trustees thereof, for the assessment and collection of taxes for the payment of the principal and interest of said bonds and other indebtedness, and all other obligations and duties in every other respect provided for the protection, payment and liquidation of the principal and interest of the bonded and other indebtedness of said joint levee district.

All bondholders and creditors or other persons having rights or relations with said joint levee district or

the trustees or officers thereof are hereby authorized and empowered to deal with the trustees of this district, and to enforce their rights as against this district in like manner as might be done against the joint levee district above mentioned and the trustees and officers thereof, and all notices, demands, tenders or other dealings that might have been had with said joint levee district or the trustees or officers thereof may be made to or had with the trustees of this district with the same force and effect. Likewise, all obligations or duties or indebtedness undertaken or contracted to be paid or performed by any persons, firms or corporations, to or with said joint levee district, may be enforced for or paid to this district with the same force and effect, and in like manner as undertaken to be performed for or paid to said joint levee district. And this district shall have the right to enforce all rights or obligations which have accrued or may accrue to said joint levee district.

The trustees of this district, as soon as they qualify and are organized as hereinbefore provided, shall take over and become vested with the management of all levees, properties, records, moneys on hand or other assets of said joint levee district, and the trustees of said joint levee district shall deliver all of such property, records or other assets to the trustees of this district, and thereupon said district shall be deemed to be merged in and superseded by this district, and cease to exist except in so far as may be necessary to preserve the rights of bondholders and other creditors; *provided, however,* that all funds or properties which come into the possession or under the control of this

district from said levee district shall be expended and used only in connection with the joint levee district work, and for the purposes authorized by the act under which it was created.

The title to all properties of the joint levee district and all property and other rights belonging to or existing in favor of said district are hereby vested in this district, and this district shall have the right to maintain suits or other proceedings necessary for the protection and enforcement of any of the rights of said levee district, and may be sued and shall have the right to defend in like manner as suits might have been maintained or defended if said levee district had continued to exist.

Upon the taking over of the property and affairs of said levee district, the board of trustees of this district is authorized and empowered, and it shall be its duty, to proceed as rapidly as may be practicable with the necessary construction work for the improvement, extension and better protection and preservation of the water system, the lands and inhabitants within the district, against overflow of flood waters from the Colorado river, and to maintain and operate the same to the end of preventing if possible a repetition of the devastating floods of previous years. In that behalf and for that purpose the board is authorized to cooperate with the United States government, the government of the State of Arizona or of the State of California, or any other public agencies, departments, districts or private concerns, or individuals, in any joint project that may be undertaken for straightening or changing the course of the channel of the Colorado

river or keeping the same within its levees and banks, provided the board of trustees deem it advisable to do so.

SEC. 13. Taking Over the Properties and Functions of the Palo Verde Drainage District. The district is authorized and empowered, through its board of trustees, to take over the properties, property rights and functions of the Palo Verde drainage district, and it shall be the duty of the board of trustees to take the necessary steps for acquiring the same in the following manner:

Upon approval of the property owners of the creation and organization of this district by a majority vote, at an election to be held for that purpose as herein provided, as soon as the organization of the district is complete by the election and qualification of its officers, all of the canals, properties, property rights and functions of the Palo Verde drainage district above mentioned, shall revert to and become vested in this district, but subject, however, to the rights of the holders of any and all of the bonds or other outstanding claims or evidence of indebtedness of said Palo Verde drainage district, and the lien of all such bonds and all rights of the bondholders and creditors of said drainage district shall be unimpaired and enforcible against the lands and property owners within the boundaries of said drainage district to the same extent and in like manner as if this act had not been passed, and said district continued to exist; *but provided, however,* that all of such outstanding bonded or other indebtedness shall be assumed by this district, and the collection of principal and interest may be enforced

through this district in like manner as it might have been enforced through the drainage district, and the board of trustees of this district is hereby authorized and empowered, and it shall be its duty to carry into effect and perform all of the obligations undertaken by said drainage district, and the trustees thereof for the assessment and collection of taxes for the payment of the principal and interest of said bonds and other indebtedness, and all other obligations and duties in every other respect provided for the protection, payment and liquidatiton of the principal and interest of the bonded and other indebtedness of said drainage district.

All bondholders and creditors or other persons having rights or relations with said drainage district or the trustees or officers thereof are hereby authorized and empowered to deal with the trustees of this district, and to enforce their rights as against this district, in like manner as might be done against the drainage district above mentioned, and the trustees and officers thereof, and all notices, demands, tenders or other dealings that might have been made to, or had with the said drainage district or the trustees or officers thereof may be made or had with the trustees of this district with the same force and effect. Likewise, all obligations or duties or indebtedness undertaken or contracted to be paid or performed by any persons, firms or corporations, to or with said drainage district, may be performed for or paid to this district with the same force and effect, and in like manner as undertaken to be performed for or paid to said drainage district. And this district shall have the

right to enforce all rights or obligations which have accrued or may accrue to said drainage district.

The trustees of this district, as soon as they qualify and are organized as hereinbefore provided, shall take over and become vested with the management of all canals, reclamation work, properties, records, moneys on hand or other assets of said drainage district, and the trustees of said drainage district shall deliver all of such property, records or other assets to the trustees of this district, and thereupon said district shall be deemed to be merged in and superseded by this district, and cease to exist except in so far as may be necessary to preserve the rights of bondholders and other creditors; *provided, however,* that all funds or properties which come into the possession or under the control of this district from said drainage district shall be expended and used only in connection with the drainage district work, and for the purposes authorized by the law in pursuance of which it was organized.

Upon the taking over of the property and affairs of said drainage district, the board of trustees of this district is authorized and empowered, and it shall be its duty to proceed as rapidly as may be practicable, with the necessary construction work for the improvement and better drainage and reclamation of the lands and improvements within the district, and to maintain and operate the same to the end that the greatest area within this district may be rendered cultivable. In that behalf and for that purpose the board is authorized to cooperate with the United States govern-

ment, the government of the State of Arizona or of the State of California or any other public agencies, departments, districts or private concerns, or individuals, in any joint project that may be undertaken for the drainage or other reclamation work for the protection or improvement of the district in so far as the board of trustees deem it advisable to do so.

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SEC. 17. Provisions for making bonds legal investments for trust funds, etc. Whenever the board of trustees shall by resolution declare that it deems it desirable that any contemplated or outstanding bonds of said district, including any bonds authorized but not sold, shall be made available for the purposes provided for in section seven of an act of the legislature of the State of California entitled, "An act relating to bonds of irrigation districts, providing under what circumstances such bonds shall be legal investments for funds of banks, insurance companies, and trust companies, trust funds, state school funds and any money or funds which may now or hereafter be invested in bonds of cities, cities and counties, counties, school districts or municipalities, and providing under what circumstances the use of bonds of irrigation districts as security for the performance of any act may be authorized," approved June 13, 1913, as amended, the said board of trustees shall thereupon file a certified copy of such resolution with the commission created by, and provided for in, said act, which commission, and the state controller in connection therewith, are hereby given the same power and authority in respect of the investigation and certification of

bonds issued under this act as is given to them in respect of the investigation and certification of irrigation district bonds by said act, as amended, except as the same may be limited by, or inconsistent with, any provision of this act, and bonds of said district which have been so investigated and certified and declared to be legal investments for the purposes stated in said act approved June 13, 1913, as amended, may be lawfully purchased or received in pledge for loans by savings banks, trust companies, insurance companies, guardians, executors, administrators, and special administrators, or by any public officer or officers of this state or of any county, city, or city and county, or other municipal or corporate body within this state having or holding funds which they are allowed by law to invest or loan; *provided, however,* that where said commission has passed upon one issue of bonds of said district, all subsequent issues of said district shall be submitted to said commission as in the said act provided.

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SEC. 24. Paid by Annual Assessment. All bonds issued and the interest thereon shall be paid from revenue derived from an annual assessment upon the land within the district and the improvements thereon, and all said properties within the district shall be and remain liable to be assessed for such payment, as hereinafter provided, in so far as any bonds created or authorized under the provisions of this act are concerned; but with respect to all bonds that have been issued and sold, or which may hereafter be sold, of the said Palo Verde joint levee district and the Palo

Verde drainage district, the interest and principal thereof shall be paid from revenue derived from the annual assessment upon the properties within the boundaries of said respective districts, which are taxable therefor under the provisions of said bonds and the acts in pursuance of which they were created.

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SEC. 56. Bonds Are a Lien on Property. Any bonds issued under the provisions of this act shall for funding or refunding purposes, be a lien upon the real property of the district, and said bonds and the interest thereon shall be paid by revenue derived from an annual assessment upon the real property of the district and improvements, and all such property in said district shall be and remain liable to be assessed for such payments as hereinbefore provided.

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Due service and receipt of a copy of the within is hereby admitted

this_____day of January, 1941.

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Counsel for Respondent.